IN THE UNITED STATES DISTRICT COURT

EASTERN DISTRICT OF TENNESSEE

SNMP RESEARCH, INC. and SNMP RESEARCH INTERNATIONAL, INC.,	§ § §	Case No. 3:20-cv-00451-CEA-DCP
Plaintiffs,	§ § §	
v.	§ §	**Jury Demand**
BROADCOM INC.; BROCADE COMMUNICATIONS SYSTEMS LLC; AND EXTREME NETWORKS, INC.,	§ § § § §	
Defendants.	§ § §	

DECLARATION OF MICHAEL J. WALLACE IN SUPPORT OF PLAINTIFFS' EVIDENTIARY SUPPLEMENT PURSUANT TO DOCKET 147

I, MICHAEL J. WALLACE, declare and state the following:

I.   Introduction and Assignment

1.   I am a founding member and officer of TM Financial Forensics, LLC ("TMF") with over 35 years of experience in forensic accounting and damages analysis. I have personal knowledge of the facts stated herein and, if called upon, could and would testify thereto under oath. I submit this Declaration in support of Plaintiffs SNMP Research, Inc.'s and SNMP Research International, Inc.'s (collectively, "Plaintiffs") Evidentiary Supplement Pursuant to Docket 147.

2.   I am the Chief Operating Officer of TMF, a specialized business and litigation consulting firm with approximately 50 professionals experienced in accounting, economics, finance, engineering, and information technology. I was retained by counsel for Plaintiffs to analyze financial, accounting, and economic damage issues in connection with this matter.

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3.   Prior to becoming a founding member of TMF in 2010, I was a Managing Director in the Los Angeles office of Navigant Consulting, an international business, management, and litigation consulting firm. Prior to joining Navigant Consulting in 2004, I was a Vice President and founding member of Tucker Alan, a business and litigation consulting firm. Prior to joining Tucker Alan in 1994, I was a Vice President in the Los Angeles office of Peterson Consulting, an international consulting firm. At Navigant Consulting, Tucker Alan, and Peterson Consulting, I performed consulting and expert witness work similar to the work I currently perform at TMF.

4.   I received a Master of Business Administration degree from the University of California at Berkeley with a specialization in finance and accounting and a Bachelor of Science degree in mechanical engineering from the University of California at Los Angeles. While earning my MBA, I was employed as a Teaching Assistant by the University of California in the first-year MBA course on application of statistics for business decisions. Prior to attending business school, I worked as a design engineer in Chevron's El Segundo, California oil refinery.

5.   I am experienced in the financial, economic, accounting, and damages concepts relevant to my work on this matter. I have extensive experience analyzing company accounting and financial records in connection with my work, including analyzing revenues, expenses, and profits associated with the company operations. As examples, I have consulted and testified in many commercial litigation and intellectual property matters. I have prepared and analyzed numerous claims involving improper accounting, lost earnings, lost revenues, lost profits, unjust enrichment, increased costs, cost of capital, royalty disputes, disgorgement of revenues or profits, and other measures of economic damages. I am familiar with standards for preparation of forensic accounting analyses and economic damage claims for use in judicial proceedings and the requirement for the use of reliable principles and supporting data. I have testified in federal court, state court, and arbitration on accounting and damages issues. My resume is attached hereto as **Exhibit 1.**

6.   I was asked by counsel for Plaintiffs to make certain calculations based on financial information produced in discovery by Defendant Brocade Communications Systems LLC ("Brocade"). I performed my analyses and prepared this Declaration with the assistance of other TMF professionals working at my direction.

7.   First, I was asked to summarize Brocade's product support services revenues for Tennessee companies and government entities for the period between Fiscal Year 2017-Quarter 1 (FY 2017-Q1) and FY 2022-Q2. Counsel for Plaintiffs provided me with 19 Excel files that I understand were produced by Brocade in discovery and described by Brocade as containing Brocade's product support revenue information ("Product Support Reports").[1] ████████████████████

██

██

██

████████████████████████████████

8.   To identify Tennessee companies and government entities, I relied on a list of search terms ███████████████████████ provided to me by counsel for Plaintiffs. I applied the search terms to the █████████ field to identify the Tennessee companies and government entities listed in Table 1 below. I standardized Brocade's █████████ field for typographical errors, format differences, and alternate name conventions, where necessary.[2] For example, ███████████

██████████████████ was standardized and combined with ███████████

████████. For each Tennessee company and government entity, I determined the total product support services revenues during the period by summing the █████████ field. The results of my

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[1] These reports are Bates numbered Brocade00700272-00700290.

[2] See **Exhibit 2** to this Declaration for a list of search terms provided by counsel for Plaintiffs and the corresponding company names identified from the █████████ field.

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analysis are summarized in **Table 1** below and presented in more detail in **Exhibit 3** of this

Declaration.

Table 1:

9.   I was also asked by counsel for Plaintiffs to calculate what percentage of Brocade's

total product revenues (for the time period in which Brocade provided product revenue data; FY 2018-

3Q through FY 2022-2Q)[3] is made up of revenue from allegedly infringing products. Counsel for

Plaintiffs identified for me the allegedly infringing products based on the allegations in the complaint

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[3] I understand Brocade has not identified historical sales transaction records from FY 2017-1Q
through FY 2018-2Q that can be used to identify the amount of revenues for each product sold.

and Brocade's responses to interrogatories. Counsel for Plaintiffs also provided me with an Excel file

that I understand was produced by Brocade in discovery and described by Brocade in interrogatory

responses as ███

████████████████████[4] The information contained in Brocade's ███████████ includes

information for product sales, █████████████████████████████████

██

██
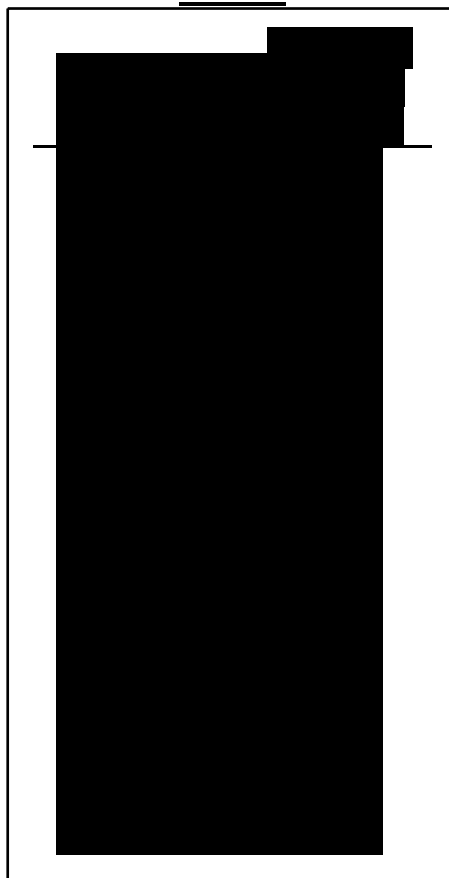
Using Brocade's ███████████ I relied on the █████████████████ field and calculated the

percentage of revenues that were made up of revenues from allegedly infringing products. My analysis

shows that, during the time period for which Brocade provided product revenue data, ███████

██ I also calculated

this figure by quarter, and the percentage results per quarter are presented in Table 2 below.

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[4] See Brocade00050389 and Brocade's Second Supplemental Responses and Objections to SNMP
Research's First Set of Interrogatories, Interrogatory No. 5.

Table 2:

[REDACTED]

10.   Finally, I was asked by counsel for Plaintiffs to calculate Brocade's revenues from product sales to Tennessee companies and government entities over the time period for which Brocade provided revenue information. To perform my analysis, I relied on the [REDACTED] to identify Tennessee companies and government entities. Specifically, I searched for the term [REDACTED] (for Tennessee) in the [REDACTED] and [REDACTED] and searched for the companies identified in **Table 1** above in the [REDACTED] Based on these search criteria, I determined that Brocade's product revenues from FY 2018-3Q through FY 2022-2Q for [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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11.   The backup documents for my calculations (including the Bates numbers identified

herein) are voluminous so I have not attached them to my declaration. However, I can do so upon

request.

I declare under penalty of perjury under the laws of the United States of America that the

foregoing is true and correct. Executed this 22nd day of July 2022, at Rolling Hills, California.

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Michael J. Wallace   7/22/2022